

1 ☐2 ☐3 ☐ **Power Point Presentation**4 ☐ **Field Transfers - Overview**

- Introduction
 - What is a field transfer and what are they used for?
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- Relationship to SWR40
 - UFT Fields
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- What Constitutes a Field Transfer?
 - 3 Scenarios
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- Field Transfer Request Information
 - How the process works

5 ☐ **Field Transfers – Introduction (1 of 3)**

- A Field Transfer is the process in which a well is transferred from one field to another.
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- Example:
 - Transferring a well from the WOLFBONE (TREND AREA) (98359800) field to the HOEFS T-K (WOLFCAMP) (41911500) field.

6 ☐ **Field Transfers – Introduction (2 of 3)**

- Historically, field transfers were rare and discouraged.
 - Used when it was determined that a well had been placed in an incorrect field
- Recently, field transfers have been used as a vehicle to bring wells into compliance with Statewide Rule 40.

7 ☐ **Field Transfers – Introduction (3 of 3)**

- Reviewers look to see if Field Transfer requests bring some degree of order to the well's current situation.
 - Is a field transfer necessary for this situation?
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- Transferring a well to a different, desired field should make sense geographically and geologically.
- To that extent, some additional information may be necessary.
 - Cross-section, area map, etc.
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8 ☐ **Horizontal Field Transfers**

- A field transfer may alter the maximum acreage allowed.
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9 ☐ **Statewide Rule 40 (1 of 2)**

- Statewide Rule 40: "Assignment of Acreage to Pooled Development and Proration Units"
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- Relevant clause is §3.40(d)
 - "Multiple assignment of acreage is not permitted... Multiple assignment of acreage is defined as the assignment of the same surface acreage to more than one well in a field."
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10 ☐ **Statewide Rule 40 (2 of 2)**

- It is also considered a violation of Statewide Rule 40 if the same acreage is assigned to more than one well in fields with the same or overlapping correlative intervals.
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11 ☐ **Statewide Rule 40 - Reformation**

- §3.40(d) cont.
 - "However, this limitation shall not prevent the reformation of development or proration units so long as:
 - (1) no multiple assignment of acreage occurs; and
 - (2) such reformation does not violate other conservation regulations."
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12 ☐ **Statewide Rule 40 – UFT (1 of 2)**

- §3.40(e): Unconventional fracture treated (UFT) fields
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- Multiple assignment of acreage is permissible as follows:
 - "Assignment of acreage to both a horizontal well and a vertical well for drilling and development or for allocation of allowable is permissible. "

13 ☐ **Statewide Rule 40 – UFT (2 of 2)**

- §3.40(e)(2)
 - "Where ownership of the right to drill or produce from a tract in a UFT field is divided horizontally, acreage may be assigned to more than one well provided that the wells having the same wellbore profile are not completed in the same ownership interval."

14 ☐ **What Constitutes a Field Transfer (1 of 4)**

- Question: "How do we change the field name for this well from Field A to Field B?"
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- Answer: First we look at two things:
 1. Is the well on schedule in Field A?
 2. Are the current perfs (take points) different from the perfs that were originally associated with Field A?

15 ☐ **What Constitutes a Field Transfer (2 of 4)**

- If the well is not on the proration schedule in Field A:
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- Then:
 - Amend the existing drilling permit (Form W-1) to add Field B. Mark "amended" as purpose of filing on the Form W-1.
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 - Change the field name on the completion report to Field B.
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16 ☐ **What Constitutes a Field Transfer (3 of 4)**

- If the well is on the proration schedule in Field A *and* the current perfs are different:
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- Then:
 - File a drilling permit (Form W-1) for Field B. Mark "recompletion" as the purpose of filing on Form W-1.
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 - File a new completion report for Field B.
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17 ☐ **What Constitutes a Field Transfer (4 of 4)**

- If the well is on the proration schedule in Field A and the current perfs are not different:
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- Then a field transfer request is needed. Submit the field transfer request to the engineering unit.
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18 ☐ **Field Transfers – Information Reqs. (1 of 4)**

- Letter of request
 - Reason why the field requested is more appropriate than the permitted field.
 - Operator may request to transfer more than one well on a single letter application.
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19 ☐ **Field Transfers – Information Reqs. (2 of 4)**

- Transferring a well to a different, desired field should make sense geographically and geologically.

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20 ☐ **Field Transfers – Information Reqs. (3 of 4)**

- Area Map must:
 - Have well locations and field names for each well.
 - Demonstrate why requested field is *geographically* appropriate.
 - Well Tabulation:
 - Producing Field, Production Interval(s), Current Status
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- Cross-section – *may be needed*
 - Ties subject well to other wells in the area.
 - Demonstrate why field is *geologically* appropriate.

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21 ☐ **Field Transfers – Information Reqs. (4 of 4)**

Well Tabulation Example:

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22 ☐ **Field Transfer Review Process**

- Engineering unit staff will review the request and provide information for appropriateness.

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- Upon approval, the requesting party will be sent an approval letter.

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23 ☐ **Field Transfer Approval Letter**

24 ☐ **CONTACT US**

For Technical Questions related to Field Transfers, contact the Engineering Unit:
512-463-1126

For Questions related to Completion filings for Field Transfers, contact the Proration Unit:
512-463-6975

25 ☐ **Evaluation & Archive Video**

Evaluation

- Please complete the evaluation available on the RRC website at
<https://survey.alchemer.com/s3/6403402/2021-RRC-Regulatory-Webinars-Oil-Gas-and-Pipeline-Safety-Evaluation>

Archive Video

- A link to the archive video of the webcast will be available on the same webpage as the presentation.